

Message Text

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PAGE 01 LONDON 14013 251805Z

12

ACTION TRSE-00

INFO OCT-01 EUR-08 EA-06 IO-04 ISO-00 EB-04 FEA-01 AGR-05

CEA-01 CIAE-00 COME-00 DODE-00 FRB-01 H-01 INR-05

INT-05 L-01 LAB-01 NSAE-00 NSC-05 PA-01 RSC-01 AID-05

CIEP-01 SS-15 STR-01 TAR-01 USIA-06 PRS-01 SP-02

OMB-01 SWF-01 /085 W

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R 251654Z OCT 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 5142

INFO AMEMBASSY CANBERRA

AMEMBASSY VIENNA

AMEMBASSY OTTAWA

AMEMBASSY HELSINKI

AMEMBASSY PARIS

AMEMBASSY DUBLIN

AMEMBASSY ROME

AMEMBASSY WELLINGTON

AMEMBASSY MADRID

AMEMBASSY STOCKHOLM

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY BONN

AMEMBASSY TOKYO

AMEMBASSY THE HAGUE

AMEMBASSY OSLO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USMISSION GENEVA

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PASS TREASURY

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PAGE 02 LONDON 14013 251805Z

E.O. 11652: N/A

TAGS: IMF, EFIN, ETRD, UK
SUBJECT: IMF TRADE DECLARATION

REF: STATE 229673

BEGIN SUMMARY

WE HAVE URGED PROMPT UK ADHEFENCE TO IMF TRADE DECLARATION IN SEPARATE APPROACHES TO HM TREASURY, AND SUBSEQUENTLY TO FOREIGN AND COMMONWEALTH OFFICE. IN BRIEF, BRITISH HAVE TAKEN NOTE OF OUR POSITION, SAY THAT MINISTERS HAVE NOT YET BEEN GIVEN OPPORTUNITY MAKE DECISION, AND HAVE PROMISED KEEP US INFORMED.
END SUMMARY

1. ASSTFINATT DISCUSSED SUBJECT OF REFTTEL WITH ROGER LAVELLE, ASSISTANT SECRETARY OF FINANCE, H.M. TREASURY. LAVELLE PREFACED HIS REMARKS BY SAYING HE WAS SPEAKING PERSONALLY; HOWEVER, WE BELIEVE, BECAUSE WE HAD GIVEN HIM TWO DAYS ADVANCE NOTICE, THAT THE REPLY HAD BEEN CLEARED THROUGH PROPER CHANNELS.

2. MR. LAVELLE MADE THESE POINTS REGARDING THE REASON THAT THE BRITISH HAD NOT YET SUBSCRIBED TO THE DECLARATION:

FIRST: THE RECENT U.K. ELECTIONS HAD PRECLUDED THE PRESENTATION OF THE DECLARATION TO THE CABINET FOR ACCEPTANCE.

SECOND: THERE REMAIN SEVERAL OPERATIVE ARRANGEMENTS OF THE DECLARATION WHICH ARE UNCLEAR, SPECIFICALLY THE QUESTION OF IMF/GATT JURISDICTION.

THIRD: SINCE THE ELECTION THERE HAS BEEN A PREOCCUPATION WITH OTHER MATTERS; THE UPCOMING NOVEMBER BUDGET AND CHANCELLOR HEALEY'S PROPOSAL FOR RECYCLING WERE CITED AS EXAMPLES OF OTHER ISSUES WHICH WERE DEEMED AS MATTERS OF GREATER IMPORTANCE AT THE PRESENT TIME.

3. MR. LAVELLE DID, HOWEVER, STATE THAT IT SEEMED CERTAIN THAT THE UK WOULD SIGN, REPEAT WOULD SIGN, LIMITED OFFICIAL USE

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PAGE 03 LONDON 14013 251805Z

THE DECLARATION WHEN IT APPEARS THAT A 65 PERCENT VOTING POWER SUBSCRIPTION (WHICH WOULD BRING THE PLEDGE INTO FORCE) SEEMED IMMINENT, BUT IN ALL LIKELIHOOD, THE UK WOULD NOT SUBSCRIBE PRIOR TO THAT TIME. THE REASON HE GAVE THIS POSITION WAS THAT THE BEST TIME FOR CHANCELLOR HEALEY TO GET THE ACTION THROUGH THE CABINET, WITHOUT MAJOR OPPOSITION FROM THE LEFT WING FACTION OF THE LABOR PARTY OR FROM THE INFLUENTIAL TRADE

UNIONS WILL BE WHEN IT IS EVIDENT THAT THE DECLARATION
WILL SOON COME INTO FORCE.

4. IN VIEW OF TENTATIVE NATURE LAVELLE'S RESPONSE,
WE CHECKED FURTHER WITH PETER MARSHALL, ASSISTANT
UNDER SECRETARY (IN CHARGE FINANCIAL AND TRADE DEPTS),
FOREIGN AND COMMONWEALTH OFFICE. MARSHALL SAID
MINISTERS HAD NOT HAD OPPORTUNITY TAKE POSITION ON
MATTER, BUT THAT HE WOULD PURSUE MATTER AND LET US
KNOW.

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Disposition Date: 28 MAY 2004
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Disposition Reason:
Disposition Remarks:
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30 JUN 2005

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TAGS: EFIN, ETRD, UK, IMF
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Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005